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Report of the Trade and Development Board on its fifty-sixty session*

Geneva, 14 to 25 September 2009, and 12 October 2009

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* The present document is an advance version of the report of the Trade and Development Board on its fifty-sixth session, held at the United Nations Office at Geneva from 14 to 25 September 2009, and on 12 October 2009. It will appear in final form, together with the reports of the forty-fifth executive session, the forty-sixth executive session and the forty-seventh executive session of the Board, as *Official Records of the General Assembly, Sixty-fourth Session, Supplement No. 15* (A/64/15).

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Introduction

The fifty-sixth session of the Trade and Development Board was held at the Palais des Nations, Geneva, from 14 to 25 September 2009, and on 12 October 2009. In the course of the session, the Board held 10 plenary meetings, the 1030th to the 1040th.

Raúl Prebisch Lecture

The fourteenth Raúl Prebisch Lecture, entitled "Globalization in the era of environmental crisis", was delivered on 15 September 2009 by Professor Jeffrey Sachs, Director, Earth Institute, Columbia University. A full transcript of the lecture is available on the UNCTAD website.

I. Action by the Trade and Development Board on substantive items on its agenda

A. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010

Agreed conclusions 496 (LVI)

The Trade and Development Board

1. *Takes note* of the *Least Developed Countries Report 2009: The State and Development Governance*, prepared by the UNCTAD secretariat, and encourages UNCTAD in this regard to continue to improve the quality of its research and analysis, and also to enhance the dissemination of its findings for consideration of the member States;

2. Recognizing that the financial and economic crisis, as well as highly volatile prices of food and energy, have been seriously threatening to reverse the economic and social progress achieved by least developed countries (LDCs) during recent years, including their attainment of the internationally agreed development goals, including the Millennium Development Goals, and the goals and targets of the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010, *encourages* donors and potential donors in a position to do so to continue and increase their development assistance, with a view to meeting commitments and also the goals and targets of the Brussels Programme of Action; encourages LDCs to enhance their efforts at productive capacity-building, economic diversification and domestic resource mobilization; and calls upon UNCTAD to focus its activities with these objectives in view;

3. *Reaffirms* that trade will increasingly continue to be relied upon by LDCs to generate the resources for financing growth and development, to complement those from official development assistance and private capital flows;

4. *Appreciates* the quality of the *Least Developed Countries Report 2009: The State and Development Governance*; and stresses the importance of government policies to promote development and poverty reduction in LDCs, including agricultural and industrial policies which contribute to developing productive

capacities, whilst stressing the importance of a conducive environment for business and private sector initiative;

5. *Reiterates* that the primary responsibility for development in LDCs rests with LDCs themselves, but that their efforts need to be given concrete and substantial international support from Governments and international organizations in the spirit of shared responsibility through genuine partnership, including with civil society and the private sector;

6. *Recognizes* that food security is a global priority and crucial for LDCs, appreciates the international and national initiatives in tackling this challenge and, in this regard, requests the international community to continue to support the LDCs' efforts in ensuring food security;

7. *Encourages* further promotion of good governance that contributes to development and supports economic growth, structural change, inclusive development and poverty reduction, and invites development partners to support such initiatives of the LDCs;

8. *Reaffirms*[1] that the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010 constitutes a fundamental framework for a strong global partnership, whose goal is to accelerate sustained economic growth, sustainable development and poverty eradication in the LDCs;

9. *Recalls* the decision of General Assembly resolution 63/227 to convene the Fourth United Nations Conference on Least Developed Countries in 2011, and requests UNCTAD, within its mandate, to provide necessary support and actively contribute to the preparatory process and to the conference itself;

10. *Thanks* the contributors to the UNCTAD LDCs Trust Fund, expresses concern that the fund never reached its intended level, and invites donors and potential donors in a position to do so to make financial contributions to the Trust Fund for use in accordance with the terms of reference of the Trust Fund to ensure, inter alia, full and effective participation of the LDC representatives and their civil society actors in the preparatory processes of the Fourth United Nations Conference on Least Developed Countries and at the conference itself; also invites extrabudgetary contributions from donors and potential donors in a position to do so to enable the UNCTAD secretariat to enhance its substantive and technical contributions to the preparatory processes and to the conference;

11. *Requests* the Secretary-General of UNCTAD to review the human resources requirements of the Division for Africa, Least Developed Countries and Special Programmes, in light of its mandates and activities, and to report to the next regular session of the Trade and Development Board with a plan to allocate to the division adequate resources while respecting UNCTAD's agreed overall budget level;

[1] Inter alia as in the preamble of General Assembly resolution 63/227 and in Economic and Social Council resolution 2008/37.

12. *Requests* the Secretary-General of UNCTAD, within existing resources, to ensure that future major publications of UNCTAD, as appropriate, particularly the flagship reports,[2] address the special and particular challenges of the LDCs.

1038th plenary meeting
25 September 2009

B. Economic development in Africa: Strengthening regional economic integration for Africa's development

Agreed conclusions 497 (LVI)

The Trade and Development Board

1. *Expresses its appreciation* for the quality of the 2009 report by the UNCTAD secretariat entitled *Economic Development in Africa: Strengthening Regional Economic Integration for Africa's Development*, and encourages the secretariat to continue its research and analysis on Africa's development challenges;

2. *Notes* that the report's key message — that regional integration should be used to address Africa's long-standing structural weaknesses, which have lowered the long-term growth performance of many countries, increased their economic vulnerability and undermined their efforts to reduce poverty — indicates that the need to refocus on regional integration is made more pressing by the current financial and economic crises;

3. *Acknowledges* that Africa has made progress in integrating its economies over the last 50 years and that the impetus for regional integration is now stronger than ever before, as evidenced by the constant efforts of the African Union to deepen the continent's integration agenda, but notes with concern that regional efforts have not generated the expected increase in intra-African trade, investment and labour mobility;

4. *Recognizes* that building and maintaining hard infrastructure including roads, railways, ports and telecommunications, and soft infrastructure such as improvements in the policy and regulatory environment and in customs and border procedures, as well as other trade facilitation measures, should be a priority in promoting regional economic integration;

5. *Considers* that deeper regional financial integration can help to promote intra-African investment flows;

6. *Reaffirms* that free movement of persons across Africa is a central component of regional integration and urges regional bodies to put in place mechanisms that will ensure that labour mobility benefits both host and sending countries, in order to encourage all countries to implement existing provisions governing labour mobility, tailored to countries' specific contexts;

7. *Recognizes* that, for each African country, regional integration is a priority, and emphasizes that integration can be most effectively achieved as part of

[2] *Trade and Development Report*, *World Investment Report*, *Least Developed Countries Report*, *Economic Development in Africa Report*, *Information Economy Report*, *Review of Maritime Transport* and the *Technology and Innovation Report*.

a broader long-term development strategy and countries should commit to implementing all the provisions governing regional integration as appropriate, privileging dialogue at the regional level;

8. *Urges* Africa's development and economic partners to help sustain the continent's economic development by supporting its regional integration priorities, including in the area of trade, with a particular emphasis on the development of infrastructure and of human capacity to manage and maintain it, as provided in the infrastructure development strategy of the New Partnership for Africa's Development (NEPAD) and through Aid for Trade;

9. *Recognizes* the importance of South-South cooperation in contributing to regional cooperation, and the importance of all development partners supporting Africa's regional economic integration agenda and integrating this agenda in their cooperation programmes with Africa; and requests UNCTAD, through the concerted application of its three pillars, to conduct further work in this regard;

10. *Encourages* the African Union as well as its regional economic communities and the African Development Bank to strengthen their role in promoting African integration;

11. *Requests* UNCTAD to produce a report on the feasibility of creating a web-based network linking the various African regional economic communities and dedicated to promoting intraregional investment and trade;

12. *Encourages* UNCTAD, within its mandate and as agreed in the Accra Accord, to continue to undertake insightful and critical analysis with respect to Africa and to widen the dissemination of its research findings;

13. *Requests* the Secretary-General of UNCTAD to review the human resource requirements of the Division for Africa, Least Developed Countries and Special Programmes, in light of its mandates and activities, and to report to the next regular session of the Trade and Development Board with a plan to provide the Division for Africa, Least Developed Countries and Special Programmes with adequate resources, while respecting UNCTAD's agreed overall budget level.

1037th plenary meeting
23 September 2009

C. Review of the technical cooperation activities of UNCTAD and their financing

Decision 498 (LVI)

The Trade and Development Board

1. *Takes note* with appreciation of the technical cooperation activities carried out by the UNCTAD secretariat in cooperation with the beneficiaries and development partners, and the reports prepared for the Working Party on the Strategic Framework and the Programme Budget;

2. *Reaffirms* the role of the Working Party on the Strategic Framework and the Programme Budget as the main mechanism for consultations among member States on all issues regarding technical cooperation and for interactive debate

between the secretariat, potential beneficiaries and donors, in accordance with paragraph 220 of the Accra Accord;

3. *Expresses* gratitude for the support provided by bilateral and multilateral donors, and invites donors and potential donors in a position to do so to provide adequate funding for the technical cooperation activities of UNCTAD;

4. *Takes note* of the decrease of 8 per cent in total trust fund contributions experienced in 2008, while noting that 2007 was an exceptional year in terms of contributions;

5. *Thanks* the contributors to the UNCTAD Least Developed Countries (LDCs) Trust Fund, expresses concern that the fund never reached its intended level, and invites donors and potential donors in a position to do so to make financial contributions to the LDC Trust Fund to ensure, inter alia, full and effective participation of the LDC representatives and their civil society actors in the preparatory processes of the Fourth United Nations Conference on Least Developed Countries and at the conference itself. Also invites extrabudgetary contributions from donors and potential donors in a position to do so to enable the UNCTAD secretariat to enhance its substantive and technical contributions to the preparatory processes and to the conference;

6. *Calls for* the full implementation, by the Secretary-General of UNCTAD, of the previous decisions of the Working Party — especially paragraph 12 of the agreed conclusions of the Working Party on the Strategic Framework and the Programme Budget at its resumed fifty-second session in June 2009 (TD/B/WP/210) — to strengthen the Division for Africa, Least Developed Countries and Special Programmes to fully enable the division to discharge its mandated responsibilities, including the task of providing substantive and technical support to the Fourth United Nations Conference on Least Developed Countries;

7. *Recalls* paragraph 10 of the Accra Accord and requests UNCTAD to deliver its technical cooperation pursuant to the relevant paragraphs of the Accra Accord;

8. *Notes* with satisfaction the increase in total delivery of the technical cooperation programmes of UNCTAD. As LDCs' special needs require special attention, urges donors, potential donors and the UNCTAD secretariat to further enhance their assistance to these countries;

9. *Expresses* concern regarding the decrease of the funds allocated to the technical assistance projects for developing countries acceding to the World Trade Organization (WTO) and in particular LDCs. In this regard, invites donors and potential donors in a position to do so to make contributions to the UNCTAD Trust Fund for WTO accession for financing these projects and, in accordance with paragraph 90 of the Accra Accord, encourages UNCTAD to strengthen those technical assistance projects and to explore new finance mechanisms for them;

10. *Notes* with appreciation the creation of the new UNCTAD project portal website and its potential contribution to greater transparency and improved monitoring and reporting of projects, and requests the secretariat to continue to improve the project portal website;

11. *Requests* the secretariat to enhance its activities at the regional and subregional level, and ensure that the regional dimension is given adequate attention

in the delivery of technical cooperation. Also requests the secretariat to upgrade data and analytical tools on South-South flows and cooperation, and promote South-South and triangular cooperation, in accordance with paragraph 43 of the Accra Accord;

12. *Thanks* the secretariat for the information provided regarding requests for technical cooperation and requests the secretariat to continue to provide this information, with particular emphasis on their follow-up and funding status;

13. *Recalls* its decisions 492 (LIV) and 495 (LV), and paragraphs 215 (c), 216 and 217 of the Accra Accord regarding the need for more coherence in the planning and implementation of technical cooperation programmes, in particular through the establishment of thematic clusters;

14. *Reaffirms* that the establishment of thematic trust funds should aim at enhancing the effectiveness and impact of UNCTAD technical cooperation activities without compromising the scope, content, delivery and quality of reporting. They should also enhance the links between the operational activities and the analytical work of UNCTAD and the results of intergovernmental deliberations;

15. *Notes* that financial consolidation of projects is the necessary prerequisite for the establishment of thematic trust funds and that financial consolidation of projects requires the commingling of contributions, entailing donors' consent, and further notes with concern limited progress with respect to consolidation of projects and establishment of thematic trust funds, thanks donors who have provided the secretariat with the necessary instructions for making progress in that respect and invites other donors to provide the secretariat with necessary instructions;

16. *Requests* the secretariat to organize a retreat, before the end of 2009, with the participation of donors, beneficiaries and the secretariat, to address difficulties and find solutions for the implementation of recommendations regarding the establishment of thematic trust funds. Requests the secretariat to report back to the Working Party on the progress made on the further consolidation of the trust funds;

17. *Commends* UNCTAD's increased emphasis on results and encourages further development towards results-based management with clear objectives, intended results and monitorable indicators for higher-level outcomes;

18. *Takes note* of the active involvement of UNCTAD in the inter-agency processes related to the United Nations system-wide coherence process and its leading role within the Chief Executives Board cluster on trade and productive capacity, and would welcome any future intergovernmental decision in the General Assembly on United Nations system-wide coherence reform;

19. *Takes note* of UNCTAD's contribution to "programme country pilot" activities without prejudice to a future intergovernmental decision on United Nations system-wide coherence reform;

20. *Invites* the secretariat to explore the possibility of increasing partnerships with the private sector in the implementation and funding of technical cooperation activities.

1039th plenary meeting
25 September 2009

D. Communication strategy and publications policy

Agreed conclusions 499 (LVI)

The Trade and Development Board

1. *Approves* the communication strategy and publications policy as set out in documents TD/B/56/9 and 10, with the amendments indicated in the annex to these agreed conclusions;

2. *Requests* the secretariat to implement the communication strategy and the publications policy with immediate effect, taking full account of statements made by member States at the fifty-sixth session of the Board;

3. *Requests* the secretariat to report to the Board annually on the implementation of the communication strategy and publications policy, through the Working Party.

Annex

Communication strategy (TD/B/56/9)

In the text of the strategy, all references to "Delivering as One" are to be deleted.

Publications policy (TD/B/56/10)

The text should be amended as follows:

10. In accordance with Trade and Development Board decision 449 (EX-17), which will be implemented in full, inter alia, the Working Party on the Strategic Framework and the Programme Budget will:

(a) In the autumn of the first year of each biennium, informally discuss a draft list of publications proposed for the next biennium;

(b) Early in the following year, review the draft list of publications as part of its review of the draft work programme;

(c) At the start of each year, informally discuss the specific list of publications planned for the year;

(d) At the same time, consider a report of the Secretary-General of UNCTAD on the implementation of the publications policy;

(e) Review the results of the survey of publications issued during the previous year, as well as any in-depth readership survey of selected publications.

21. The process of updating, improving and streamlining will be a continuous process, building on the progress already achieved. Streamlining of the publications programme, in accordance with paragraph 186 of the Accra Accord, has been a shared objective of both the member States and the secretariat for a number of years, with the ultimate goals of increasing focus, improving efficiency and effectiveness, and enhancing quality.

Table 1
Numbers of UNCTAD publications

Publications	*2004-2005*	*2006-2007*	*2008-2009*	*2010-2011 (budgeted)*
	98			
Recurrent	147	89	100	86
Non-recurrent		144	125	120
Total	**245**	**233**	**225**	**206**

27. UNCTAD's online channels should be seen as one of the important vehicles for the dissemination of publications, where feasible. The production process for publications should take full account of the technical and skill requirements of efficient publishing online. To facilitate dissemination, each publication should contain an executive summary (abstract) and a listing of key words (metadata). Greater use should also be made of CD ROM and flash memory technology, where feasible.

41. In addition to publication surveys, web-based evaluation tools, as well as statistics such as the number of downloads of documents, sales, and citations of publications, could be used.

E. Reports of the Working Party on the Strategic Framework and the Programme Budget

Decision 500 (LVI)

The Trade and Development Board

1. *Approves* the report of the Working Party on the Strategic Framework and the Programme Budget on its fifty-second (resumed) session (TD/B/WP/210), and clarifies that the Working Party should address itself to the Trade and Development Board. Further clarifies that the Working Party shall make recommendations to the Trade and Development Board for its approval and that the UNCTAD Secretary-General should take full account of the Trade and Development Board's decisions, and requests the President of the Board to convey the decisions of the Trade and Development Board to the General Assembly.

1040th plenary meeting
12 October 2009

F. Proposal to enhance the functioning of the Working Party

Agreed conclusions 501 (LVI)

The Trade and Development Board

1. *Notes* the proposal to enhance the functioning of the Working Party put forward by the secretariat in document TD/B/56/CRP.2, in accordance with the agreed conclusions of the Working Party at its resumed fifty-second session;

2. *Requests* the President of the Board to organize informal consultations on the issue and to report to the extended bureau of the Board with a view to reaching agreement on how to enhance the functioning of the Working Party;

3. *Requests* the Bureau to report to the Board at the Board's next session;

4. *Requests* the UNCTAD secretariat to propose a schedule of meetings that allows the Working Party to submit recommendations for the Trade and Development Board's approval while meeting United Nations deadlines for budget-related submissions;

5. *Requests* that the next Working Party take place in October/November 2009 to allow member States to advise UNCTAD on submissions to New York.

1040th plenary meeting
12 October 2009

G. Other action taken by the Board

Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its forty-second session (Geneva, 10-11 December 2008)

At its 1038th plenary meeting, the Board took note of the report of the Joint Advisory Group on its forty-second session (ITC/AG(XLII)/225).

UNCTAD's contribution to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields

At its 1039th plenary meeting, the Board took note of the secretariat report on progress made in the implementation of the outcomes of the major United Nations conferences and summits, and UNCTAD's contribution (TD/B/56/8).

Review of the technical cooperation activities of UNCTAD and their financing

Also at its 1039th plenary meeting, the Board adopted the draft decision contained in the Report of the Working Party on the Strategic Framework and the Programme Budget on its fifty-third session (TD/B/WP/215) (see section I. C).

Report on UNCTAD's assistance to the Palestinian people

Also at its 1039th plenary meeting, the Board took note of the report by the UNCTAD secretariat (TD/B/56/3) and the statements made by delegations and decided, in accordance with General Assembly decision 47/445, that the report of the Board on its fifty-sixth session to the General Assembly would include an account of the deliberations under this item.

Hearing with civil society

Also at its 1039th plenary meeting, the Board took note of the summary of the hearing contained in document TD/B/56/L.1/Add.4.

UNCTAD's communication strategy and publications policy

At its 1040th plenary meeting, the Board adopted agreed conclusions 499, entitled "Communication strategy and publications policy" (see section I. D).

Progressive development of the law of international trade: forty-second annual report of the United Nations Commission on International Trade Law (New York, 29 June-17 July 2009)

Also at its 1039th plenary meeting, the Board took note of the forty-second annual report of the United Nations Commission on International Trade Law (A/64/17).

Reports of the Working Party on the Strategic Framework and the Programme Budget on its fifty-second, fifty-second (resumed) and fifty-third sessions

Also at its 1039th plenary meeting, the Board approved the reports of the Working Party on its fifty-second and fifty-third sessions (TD/B/WP/209 and TD/B/WP/215). At its 1040th plenary meeting, the Board approved decision 500, whereby the report on the Working Party's fifty-second (resumed) session (TD/B/WP/210) to the fifty-sixth (resumed) session of the Board was approved (see section I. E).

Also at its 1040th plenary meeting, the Board approved agreed conclusions 501, entitled "Proposal to enhance the functioning of the Working Party" (see section I. F).

Report by the President of the Advisory Body set up in accordance with paragraph 166 of the Bangkok Plan of Action on the implementation of courses by the secretariat in 2008-2009 and their relevant impact; and the appointment of members of the Advisory Body for 2010

Also at its 1039th plenary meeting, the Board took note of the oral report on this item by Mr. Joannes Ekaprasetya Tandjung (Indonesia), speaking on behalf of Mr. Dian Triansyah Djani (Indonesia), President of the Advisory Body, on the work of the Advisory Body set up in accordance with paragraph 166 of the Bangkok Plan of Action.

Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

Also at its 1039th plenary meeting, the Board was invited to consider two new applications for observer status received from:

(a) The Organization of Eastern Caribbean States; and

(b) The Eurasian Development Bank.

The background information on these organizations is contained in documents TD/B/56/R.1 and TD/B/56/R.2. The Board decided to approve these applications so that they might participate in the activities of UNCTAD.

Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

Also at its 1039th plenary meeting, the Board was invited to consider two new applications for observer status received from:

(a) The Grain and Feed Trade Association for the special category. The background information on this organization is contained in document TD/B/56/R.3;

(b) IQsensato in the general category. The background information on this organization is contained in document TD/B/56/R.4.

Also at its 1039th plenary meeting, the Board decided to approve these applications and classify these NGOs in the special category and general category respectively so that they might participate in the activities of UNCTAD.

Review of the calendar of meetings

Also at its 1039th plenary meeting, the Board approved the calendar of meetings for the remainder of 2009 and the indicative calendar for 2010 and the first half of 2011 contained in document TD/B/56/CRP.3, as amended by the secretariat. It also authorized the Bureau of the Board to adjust the calendar as necessary.

Membership of the Working Party for 2010

Also at its 1039th plenary meeting, the Board approved the membership of the Working Party for 2010 as follows: Albania, Algeria, Belarus, Benin, Brazil, China, Côte d'Ivoire, El Salvador, Indonesia, the Islamic Republic of Iran, Japan, Peru, the Russian Federation, Switzerland, Thailand, and four countries from Group B to be announced.

Adoption of the report on credentials

Also at its 1039th plenary meeting, the Board adopted the report of the Bureau on the credentials of representatives participating in the fifty-sixth session of the Board, as contained in document TD/B/56/L.2.

Provisional agenda for the fifty-seventh session of the Board

Also at its 1039th plenary meeting, the Board decided to refer consideration of this item to consultations of the President. The provisional agenda will be drawn up and submitted for approval at an appropriate time.

Adoption of the report

Also at its 1039th plenary meeting, the Rapporteur, Ms. Tshihumbudzo Ravhandalala (South Africa), introduced the draft report of the Trade and Development Board on its fifty-sixth session, as contained in documents TD/B/56/L.1 and Add.1-6, TD/B/56/SC.I/L.1, TD/B/56/SC.I/L.2, TD/B/56/SC.II/L.1 and TD/B/56/SC.II/L.2. At its 1040th (closing) plenary meeting, held on 12 October 2009, the Board approved the report for transmission to the General Assembly.

II. President's summary[3]

A. Opening statements

1. Many delegates stressed the importance of strengthened cooperation, particularly for the most vulnerable members of the international community. The world economic and financial turmoil had created a massive hardship for the international community, particularly for developing countries, as they were experiencing lower demand for their goods and services, as well as reduced financial inflows (including foreign investment and remittances). The global crisis thus needed a global solution.

2. It was felt that overcoming the global difficulty required a series of policy measures at the national level, such as implementing stimulus packages, strengthening the domestic financial system and resisting protectionist measures. At the global level, there was a need for regulation and reform of the existing international financial architecture. Here, some delegates emphasized that the new system should ensure greater voice and representation for emerging and developing countries.

3. Many delegates concurred that the successful conclusion of the Doha Round of trade negotiations should be beneficial to all, as it would respect the development dimension. Some delegates anticipated that the role of UNCTAD would increase as multilateral trade negotiations were expected to intensify in the coming year. It was generally agreed that regional integration could be an important policy option for developing countries to use to realize their potential for development. In that regard, delegates from some donor countries acknowledged that the Aid for Trade programme remained important to developing countries in maximizing market access opportunities resulting from the successful conclusion of the Doha Round.

4. Many donor delegates reaffirmed their commitment to the achievement of the Millennium Development Goals, and to the fulfilment of other existing commitments to development. Some delegates stated that development, as a matter of principle, should be socially, economically and ecologically sustainable, and that principle should guide the efforts of the international community to reach a new climate change agreement in Copenhagen later in the year.

5. Most delegates from developing counties expressed their that South-South cooperation — as manifested in the New Asian-African Strategic Partnership, for example — should complement, rather than replace, North-South cooperation. They also stressed the importance of transforming ideas and suggestions emanating from UNCTAD's research and analytical work into concrete action on addressing the special needs and concerns of various groups of countries, including African countries, least developed countries and landlocked countries. Several delegates expressed disappointment with the lack of resources which had hampered UNCTAD's activities in its assistance to the Palestinian people.

[3] Electronic versions of statements by delegates are available in PDF format on the UNCTAD website in the form and language in which they were received (www.unctad.org/tdb56/statements). Audio files (floor/English) of general statements and statements made at the high-level segment, among others, are also available on the website (www.unctad.org/tdb56/audio).

6. It was noted that balancing the three functional pillars and building synergy among them was a challenging task. Some delegates said that emphasizing technical cooperation at the expense of consensus-building and research and analysis had become a trend. Others expressed concerns about a recent fall in the overall financial contribution to UNCTAD's technical cooperation activities. Referring to the pillar of research and analysis activities, one delegate stressed that those activities should be "development-oriented" and "ahead of curve". Another delegate suggested that UNCTAD should assess the effectiveness of various technical cooperation activities and intensify its efforts in those activities where effectiveness was recognized.

7. As for UNCTAD's research and analysis activities, some delegates welcomed efforts to address new and emerging issues, such as migration, climate change and the food crisis; others, however, questioned the soundness of some of its analytical results, particularly those on climate change contained in the Trade and Development Report, 2009. One delegate cautioned that UNCTAD should not duplicate the work ongoing in other bodies, particularly the United Nations Framework Convention on Climate Change, which was the internationally recognized forum for negotiating climate change issues and setting the relevant policy agenda.

B. High-level segment: The global economic crisis and the necessary policy response

8. The Board held a substantive discussion with a panel of high-level government representatives on the causes and impacts of the ongoing global financial and economic crisis, and on the policy responses to it, with a particular focus on the development dimension. The recent global financial and economic crisis was considered unique, in its breadth, depth and universality, and in the magnitude of the policy response to it.

9. The global economic crisis was having profound consequences for economic growth in developing countries, and it was impairing their development and poverty-reduction objectives. Although developing countries were not at the origin of the crisis, as it stemmed from the financial system of developed countries, the crisis had rapidly been transmitted to the real sectors of developing countries' economies. Those countries had seen their growth sharply reduced, as a result of declining global demand, shrinking trade volumes and falling commodity prices, lower levels of remittances from migrants, decreased flows of foreign direct investment (FDI), capital outflows, higher yield spreads and declining aid. The least developed countries (LDCs) had been the most negatively affected, as their structural weaknesses and lower resilience impaired their ability to tackle the crisis. In addition, the crisis had come on top of other crises affecting these countries, such as the food and fuel crises. All that represented a setback to the progress achieved over recent years, and was even further endangering the achievement of the Millennium Development Goals.

10. While there were some economic indicators that were showing an improvement, those were mostly related to the financial sector, and revealed the return of speculative activities in financial markets. The prospects for global recovery were widely regarded as uncertain — so long as unemployment was rising

and there were no real signs of strong macroeconomic fundamentals. The full social consequences of the crisis remained to be seen.

11. The source of the crisis had been multidimensional, stemming from financial liberalization, a build-up of macroeconomic imbalances, and increased volatility and vulnerabilities associated with greater globalization. Most delegations and panellists emphasized that deregulation in financial markets was the major cause of the crisis, as it led to excessive speculation and the detachment of financial activities from the fundamentals of the real economy. That could be seen very clearly in the extraordinary increase of financial activities in comparison with productive activities. The crisis had revealed that self-regulation of financial markets did not lead to optimal outcomes, and it highlighted the dangers of financial innovation in securitization and of uncontrolled remuneration for financial agents.

12. The impacts of the crisis and the economic policy responses had varied among different countries. A number of developing countries had shown some resilience to the crisis, as their previous macroeconomic policies, healthy current account positions and accumulation of reserves had provided them with some policy space. Some other economies had been able to handle the crisis by turning to their strongly growing domestic markets. On the other hand, many of the poorest developing countries lacked the necessary fiscal policy space, and had had to obtain additional financial resources from the International Monetary Fund (IMF). However, that assistance was tied to procyclical conditionality, which affected the possibilities of recovery for these countries. It was felt that this should be avoided. In fact, continuing countercyclical monetary and fiscal policies were widely considered to be the appropriate response to fight the crisis. Fiscal stimulus measures in a number of countries and a coordinated macroeconomic response had shown some results in that regard. However, many delegates felt that the policy response should address the need to reactivate credit for productive activities.

13. The international response to the crisis had been unprecedented, in terms of the scale of the stimulus packages, the increase in resources to IMF and multilateral banks, the coordination of central banks, the mobilization of financial institutions, and the trade measures — with regard to financing trade and calls to prevent protectionism. Panellists and delegates alike agreed that there were many lessons to be learned from the crisis, as had been highlighted in the *Trade and Development Report, 2009*. It was clear that business as usual could not continue, and that the international community had to address the underlying causes. That would imply measures at the national, regional and international level, which should complement each other. It was felt that financial markets should be subject to adequate regulation, and there should be appropriate surveillance to discourage excessive risk-taking. That should include not only microprudential but also macroprudential regulation to prevent systemic risks. The main objective of the financial system should be to channel financial resources to productive investment.

14. There was broad consensus that the current global financial and monetary system was in need of deep reform, as the world economy had changed considerably since the Bretton Woods agreement was struck. It was argued that the discussions guiding the design of the new international financial architecture should place development at the centre, and should be inclusive in nature, making the United Nations the ideal forum for such an undertaking. However, measures to address the crisis discussed at other forums such as the G-8 or the G-20 were appreciated too, as

steps in the right direction. The United Nations, the Bretton Woods institutions and the different "G" groups all had a role to play, and it was important that they work cooperatively. In addition, it was felt that reform of the multilateral system should not only be in terms of voice and representation, but also in terms of purpose, responsiveness and effectiveness. The aim of reform should be a system that was transparent, stable and predictable. It was felt that reform of IMF itself should be considered, including of its governance and of aspects related to the role and allocation of special drawing rights. The issue of an international reserve currency and the proposal for a multilaterally agreed framework for the management of flexible exchange rates also deserved further consideration. Those reforms would require strong political will.

15. The importance of strengthened international macroeconomic coordination and cooperation was repeatedly underlined. In addressing the challenges, particularly those facing LDCs, there was a need for an increase in official development assistance. UNCTAD's proposal for a temporary debt moratorium to countries affected by external debt problems was also welcomed. It was suggested that UNCTAD should also explore innovative sources of development finance. Equally important was the need to maintain a fair, open and equitable trading system. That could be achieved through a successful conclusion to the trade negotiations of the Doha Development Round. Broad support was also given to fostering green growth as part of the crisis response, as future development needed to become carbon-neutral. There were also many lessons to be learned from recent regional cooperation initiatives that were felt to be useful to consider in the design of international response mechanisms.

C. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010

Summary by the Chair of Sessional Committee I

16. Participants appreciated the key findings and recommendations from the *Least Developed Countries Report 2009: the State and Development Governance*. The report urged a serious rethinking of the market-led paradigm followed by the LDCs, in favour of a strengthened role for the State in the rebalancing between the market and the State in economic management. The focus of the discussion was the impact of the global financial and economic crisis on LDCs, which had put an end to five years of relative buoyancy for LDCs, driven largely by booming commodity prices, rising export revenues and growing foreign direct investment (FDI) inflows. The current global crisis was forecast to dramatically slow down their economic performance (growth was predicted to fall from an average of 7.4 per cent in 2003-2008 to 2.7 per cent in 2009). Despite the relatively shallow integration of LDCs in the international financial market, the decline of export revenues, remittances and FDI inflows once again highlighted LDCs' structural deficiencies, most notably commodity dependence and chronic vulnerability to external shocks.

17. Many participants warned that food security concerns continued to be extremely relevant in LDCs, particularly in Africa, as the agricultural sector was likely to come under mounting pressures owing to factors such as demographic dynamics, climate change and soil degradation, and long-standing stagnation of

agricultural productivity. As argued by several speakers and by the *Least Developed Countries Report 2009*, the low productivity in agriculture stemmed largely from the lack of clear-cut strategies for agricultural development over the previous 30 years. The consequences of such neglect included worrisome under-investment in the agricultural sector, poor provision of rural infrastructure, declining expenditure on agricultural research and development, and more generally the withdrawal of government support for rural development associated with the application of Structural Adjustment Programmes.

18. It was noted that the *Least Developed Countries Report 2009* argued that neither the good governance agenda, nor the exact East Asian developmental State model were entirely appropriate for LDCs. Rather, the challenges of the twenty-first century required an innovative development governance, suitable for the LDCs' needs and requirements, aiming at delivering sustainable and inclusive growth. As argued in the *Least Developed Countries Report 2009*, this would involve forward-looking strategies, which would emphasize the role of knowledge, foster greater diversification, and promote structural change aimed at a more inclusive and employment-intensive growth path. Such a new developmental State should integrate coherently macroeconomic, meso-economic and sectoral policies, including active targeted agricultural and industrial policies, in order to increase the developmental impact of its policies and build societal consensus around a national development project.

19. In the short and medium term, the need to maintain and scale up official development assistance (ODA) levels for the LDCs was underscored by several member States, in order for the LDCs to cope with the chronic lack of foreign exchange, close their infrastructural gap and expand their productive capacities. Also, the important role of South-South cooperation was reconfirmed throughout the discussions, especially in regard to regional integration and development of productive capacities via accelerated intraregional investment, trade and labour mobility. The critical importance of maintaining and scaling up ODA in the current situation was reiterated by many member States, namely devoting 0.7 per cent of their gross national incomes to ODA for developing countries, of which at least 0.15 per cent should be for LDCs. Concern was expressed that developed countries were lagging behind their aid promises. Deepening of regional integration to promote the development of coordinated value chains of strategic food and agricultural commodities in order to seize new opportunities from regional markets was underscored.

20. The fallout of the global crisis was dramatically exacerbating structural vulnerabilities of LDCs. The roots of the crisis were not in LDCs, yet LDCs were bearing its brunt. The downturn was even more alarming for them, insofar as LDCs simply did not have the capacity to carry out the massive types of interventions adopted in developed countries. Without additional resources, LDCs' policymakers faced a dramatic trade-off between adopting countercyclical policies and maintaining their long-term investment plans to expand productive capacities and crowd in private investments, with severe implications for their development prospects.

21. Several participants noted that an effective agricultural policy needed to be complemented by targeted industrial policies in order to develop linkages and boost local demand. Linking agricultural development to the global environmental

challenges, LDC delegates suggested that the burden of meeting climate-change-related challenges should be shared according to the principle of "common but differentiated responsibilities". Accordingly, the Clean Development Mechanism should be improved to provide additional resources to LDCs, who contributed only marginally to climate change, but are likely to bear significant adaptation costs.

22. UNCTAD was requested to play an important role in the preparation for the Fourth United Nations Conference on the Least Developed Countries (UNLDC-IV) in 2011 and welcomed the upcoming expert meeting organized by UNCTAD in Kampala, Uganda. In view of those meetings, some participants urged UNCTAD to translate its valuable recommendations and the findings of the *Least Developed Countries Report 2009* into more concrete actions and policy measures. Several delegates urged donors to contribute to UNCTAD's LDC Trust Fund to enable UNCTAD to enhance its assistance to LDCs and aid in its preparatory work for UNLDC-IV. The Trade and Development Board called for strengthening UNCTAD's research and analysis capacity in addition to technical assistance and inter-agency cooperation.

23. The participants welcomed the findings of the *Least Developed Countries Report 2009* as regards the imperative of industrial policy in LDCs. In that context, four major points were raised:

(a) Diversification was a long-standing objective of LDCs, yet it was not taking place, since most LDCs remained dependent on commodities. LDCs should learn from successful late industrializers, and be more ambitious in promoting industrialization;

(b) Climate change mitigation presented new possibilities for LDCs for their industrialization strategy. The discussion focused on green technologies and eco-friendly energy services. For example, Lesotho was working with Philips to produce energy-efficient bulbs for the Southern African Development Community area. It was noted that LDCs could also produce energy services and new environmentally friendly products, such as energy-efficient cooking stoves. Environmentally friendly energy production would have a positive side effect, since 70 per cent of greenhouse gas emissions were linked to energy sources. LDCs should carefully examine their energy matrix, as they all required a mix of different sources (e.g. renewable and hydro-power). By rebalancing their mix, they would contribute to the reduction of greenhouse gas emissions, and could become providers of green energy services. To reach those goals, LDCs needed financial and technological support;

(c) LDCs needed to be aware of the danger of "green protectionism" and ensure that their point of view was heeded in the on-going elaboration of energy-efficient standards. LDCs should not miss out on the third industrial revolution, a green revolution;

(d) Policy space was required for learning and LDCs should be willing to learn from others.

24. In order to achieve their development objectives, LDCs needed supportive macroeconomic policies. Development finance was crucial for their long-term growth. Many LDCs remained highly dependent on official development assistance (ODA). While that would be sharpened due to the world crisis, over the long term overcoming aid dependency was a priority for LDCs. In order to achieve aid

independence, LDCs had to boost the mobilization of domestic revenues, so that the State was able to fulfil its developmental functions. That required the strengthening of the tax system, an endeavour that should be supported by ODA.

25. Participants noted that fiscal policies had a central role to play in reaching national development objectives. In the short run, countercyclical fiscal measures were necessary to compensate for the shortfall in demand caused by the crisis. In the long term, the main function of fiscal policy was to finance public investment. The latter crowded in private investment and contributed to the development of productive capacities through structural change. Monetary policies should accommodate long-term development and support expansionary fiscal policies.

26. Despite the recent rise in domestic savings rate, currently most investment in LDCs was financed by ODA inflows and by FDI in enclave sectors. Therefore, LDCs needed to strengthen their domestic financial systems so that they could accomplish their function of mobilizing domestic savings and channelling them to private investment. Currently, local banks tended to hold large amounts of excess liquidity and preferred short-term, risk-free government securities. The financial system could be reformed by improving market incentives to institutions, linking formal and informal institutions, and strengthening public institutions (e.g. agricultural and development banks).

27. The *Least Developed Countries Report 2009* suggested that LDCs should manage better the exchange rate in order to avoid abrupt depreciations and to promote export competitiveness and structural diversification of their economies, and manage their capital accounts. Delegates agreed that there was more understanding by the international community for adequate policy space in LDCs, including in the macroeconomic field. LDCs were said to be well advised to seize that opportunity and implement policies conducive to long-term growth.

D. Economic development in Africa: Strengthening regional economic integration for Africa's development

Summary by the Chair of Sessional Committee II

28. The UNCTAD *Economic Development in Africa Report 2009* argued that deeper regional integration within Africa was one possible response to the multiple crises that had affected Africa, in order to promote economic development and address long-standing structural weaknesses through economic diversification, structural changes and technological development. However, regional integration should complement — not substitute for — Africa's efforts to integrate into the international economy.

29. There was widespread concurrence that development of infrastructure was vital for African regional integration, trade and development. To enable the continent to fully benefit from enhanced regionalism, delegates agreed that supply-side capacities had to be improved at the local and regional level, and that demand and supply constraints had to be addressed at the regional and international level. Inadequate hard infrastructure was one of the strongest supply-side constraints faced by Africa. Soft infrastructure, in the form of improved governance and a conducive business environment, should be improved, too. According to one delegation, better

national governance was the most necessary element for achieving trade and development and for translating growth into poverty reduction.

30. Three challenges must be overcome regarding hard infrastructure: (a) finding the political will to implement transcontinental road infrastructure projects, such as the Yamoussoukro Decision and regional energy projects; (b) the infrastructure deficit, in which a poorly integrated and inefficient infrastructure costs an estimated $80 billion per annum; and (c) resource mobilization. More than 54,000 kilometres of road links were missing in the trans-African highway network, including the Lagos-Mombasa and Tripoli-Windhoek routes. It was pointed out that the Westcor regional energy project would utilize environmentally friendly and renewable hydroelectric sources.

31. Delegates called on development partners for their support in helping ease the financial constraints faced by Africa in financing domestic and regional infrastructure-building projects. Several international initiatives were identified as being vital for deepened regionalism: the provision of stable ODA flows, the reduction of external debt and debt servicing, and the Aid for Trade mechanism, although it was felt that the latter should focus more on export promotion rather than on import procedures. Completion of the Doha Round was considered a means to facilitate regional integration.

32. One participant underscored the importance of increasing the efficiency of resource utilization by reducing barriers to business transactions and freeing the movement of goods, capital and labour among countries. The harmonization of laws, regulations, procedures and standards was considered essential for successful regional integration.

33. Political will in strengthening the regional process and role of South-South cooperation was stressed as being important in promoting African integration and economic development, as highlighted by the New Asian-African Strategic Partnership.

34. The basic regional integration programme strategy described in the meeting required that intra-African trade liberalization and market integration be preceded by intraregional economic community trade liberalization and market integration, and should be followed by the gradual opening of African markets to imports from non-African countries. An appropriate and effective response to the challenges posed by the pressures for bilateral and multilateral trade liberalization would be to speed up and front-load the movement from regional to Africa-wide integration, by taking urgent action at both the national and regional level. Countries that sourced significant shares of their total imports from other African countries, and depended substantially on import duties for fiscal revenue, would suffer revenue losses. Therefore, considerable attention must be paid to cost-sharing and compensatory measures.

35. Implementation inevitably involved gains and losses, as well as winners and losers. In negotiating such agreements, the relative costs and benefits were revealed, and agreements were adjusted to include compensatory measures to "balance" the net benefits across all participating countries.

36. Africa's economic and trade relations with non-African countries and regions had important implications for its regional integration agenda. The existing non-reciprocal trade preferences had allowed many African countries to benefit, to

varying degrees, from the preferences offered. Generally, the effect of this type of relationship in Africa's regional integration agenda had been largely benign.

37. One speaker asserted that this could not be said for the currently evolving reciprocal (even if asymmetric) trade agreements between African countries and non-African countries or regions, epitomized by economic partnership agreements (EPAs). EPAs had indirectly affected Africa's regional integration agenda, for example by encouraging the five African regional groups to take a firm stand on the issue of overlapping membership of regional integration arrangements.

38. Concluding negotiations under the EPAs was presented as an important objective, considering the need to agree on a new legal framework governing cooperation between the African, Caribbean and Pacific Group of States (ACP) and the European Union (EU) in the replacement of the Lomé and Cotonou agreements, which were incompatible with World Trade Organization (WTO) provisions (article XXIV of the General Agreement on Tariffs and Trade). Some of the main selling points of EPAs were that they would strengthen regional integration and economic competitiveness in Africa, they would allow a gradual liberalization approach that took into account the differences in country realities, and they acknowledged the need for safeguard mechanisms. It was clarified that concluding EPA negotiations never had been and never would be used as conditionality in order to benefit from the EU's assistance.

39. Several interventions challenged these views. The mildest challenge was that EPAs were, at best, a good idea that was being poorly implemented. The view that EPAs were needed in order to have a new framework that was WTO-compatible was challenged by pointing to the fact that it could have been possible to apply for an exception, as had been the case with the African Growth and Opportunity Act. Moreover, some delegates were not convinced by the view that EPAs were primarily designed to help African economies to better integrate. On the contrary, many speakers voiced their concern that the EPA negotiating approach — particularly the unequal treatment of LDCs and non-LDCs, as well as the signing of interim EPAs by some countries within the same group — was dividing African countries and creating unnecessary tension among them. The most important worry was that EPA implementation might result in a situation where African countries would open their markets to the EU and to other major partners, who would require similar treatment, but not to other African countries; this would strongly compromise the cornerstone of Africa's integration agenda. It was also pointed out that Africa had no capacity to negotiate a fair agreement with the EU. Above all, many in the meeting considered that the large difference in economic development between Africa and the EU made it inconceivable that Africa should be required to fully reciprocate the EU's market opening, even after a long transition period.

40. Most African countries did not yet have the strong industrial capacity required to produce a diversified range of manufactured products to satisfy the needs of the continent. Some delegates noted that regional integration and increased intra-African trade could strengthen the region's resilience against crises in the longer term.

41. A suggestion was made to create a special and differential treatment mechanism within regional trade agreements, which evoked the possible need for a planned division of labour within countries. The creation of a free trade zone between the 26 member States of the East African Community (EAC), the Southern

African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA) was noted positively, as were efforts to develop an African customs union in the future.

42. Regional integration agreements had produced robust pan-African financial institutions, such as Ecobank, which had a presence in 28 countries in West, East, Central and Southern Africa. A strongly integrated financial system would increase competition, drive down costs, encourage increased lending to businesses including small and medium-sized enterprises (SMEs), and provide consolidated payment systems — especially intra African systems.

43. It was stated that the prospects for investment included Africa's comparative advantage in natural resources, its favourable growth and demographic trends, as well as its improved institutional and political conditions. Limitations in transport and communications infrastructure — combined with high trade and related costs, inefficient border procedures, and an absence of reliable data — were constraints on investment. Intra-African investment opportunities included banking and finance, insurance, professional services in areas that require limited technology and capital requirements, and transportation and logistics. An enhanced "business-friendly" environment would offer foreign investment opportunities in sectors such as heavy industry and manufacturing, oil and gas, telecommunications services and infrastructure, mining, services, tourism and hospitality.

44. The global financial and economic crises had slowed private investment flows, although public investment had been sustained at its 2008 level. The COMESA-EAC-SADC tripartite arrangement had been preparing bankable projects and mobilizing funding from multilateral development banks and bilateral partners. The Aid for Trade model that was used to mobilize $2.7 billion for the North-South Corridor was to be simultaneously implemented in the following 12 months in all the corridors of the Eastern and Southern African region.

45. The sense of the meeting was that in common with its predecessors, the *Economic Development in Africa Report 2009* had made significant contributions to the debate on Africa's development, and that as a major source of new ideas on the subject, it had attracted the attention of the research and policy communities in Africa and beyond. UNCTAD was called upon to expand its work and activities for the benefit of Africa, with this to include strengthened dissemination work.

E. Evolution of the international trading system and of international trade from a development perspective: Impact of the crisis

46. The Board's deliberations under the agenda item were opened by the Secretary-General of UNCTAD and conducted with the participation of a high-level panel composed of Mr. Pascal Lamy, Director-General of the World Trade Organization (WTO), and Mr. Pedro Páez Pérez, member of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System (the "Stiglitz Commission"), former Minister of Economic Policy Coordination, and currently Chair of the Ecuadorian Presidential Technical Commission for a New Regional Financial Architecture and Bank of the South, Ecuador.

47. Participants agreed that the current global financial and economic crisis, which had originated in developed countries, affected all countries and incurred severe social, economic and developmental implications, particularly for developing countries. The collapse of demand and production had caused high unemployment, and had led to a sharp contraction of trade, investment, remittances and possibly ODA flows. Combined with a series of crises affecting energy, food, commodities and climate change, and the limited ability of countries to put in place social safety nets, the crisis had aggravated poverty and social misery, and rendered the achievement of the Millennium Development Goals and poverty reduction by 2015 practically impossible. While there had emerged signs of "green shoots" pointing to recovery, there was no place for complacency, as social effects of the crisis would last even after output had rebounded. The shape and speed of the recovery mattered, as did macroeconomic conditions and correcting global imbalances.

48. Noting the deep, sudden and synchronized contraction of world trade, including South-South trade, many stressed that trade was not the direct cause of the crisis, although it had linkages with global imbalances. Effects of trade contraction fell disproportionately on developing countries, particularly on the poorest and most vulnerable, as they relied heavily on external trade for income. The internationalization of production chains had transmitted the contraction to countries worldwide. The shortage in trade finance had limited exporters' ability to export. The credit crunch had reduced demand, particularly for durable and capital goods. Since mid-2008, falling commodity prices had significantly reduced the export earnings of commodity exporters, particularly single-commodity exporters, even though this represented a relief for net importers, including net food importing developing countries. Services sectors of importance to developing countries were also affected, particularly income-sensitive sectors such as tourism, travel, transport and construction.

49. Many participants underlined the importance of a coordinated approach to the crisis, including through a stronger partnership among the family of international organizations. There was a need for innovative and viable solutions to improve the availability and affordability of trade finance, including by activities of the network of export-import banks and by initiatives aimed at increasing global trade liquidity. Supporting a sustainable agricultural sector was particularly important for diversification of economies, food security and climate change mitigation. Addressing speculative movement in commodity markets would be crucial. Increasing official aid flows and Aid for Trade, as well as immediate meaningful debt relief initiatives, could make an important contribution. It was noted that there had been positive developments in WTO's Second Global Review on Aid for Trade in July. Continued mobilization of additional and predictable resources would be a key priority.

50. There was a shared view that, while the rapid spreading of the crisis demonstrated globalization and interdependence of economies, it also highlighted the extent of vulnerability facing developing countries from their excessive reliance on external demand, especially on a narrow range of commodities and markets. This highlighted the need for boosting domestic demand and productive capacities. However, for many developing countries, domestic demand remained small. Thus, external demand was indispensable in sustaining growth. The challenge facing countries was how to make their economies and trade more resilient to external shocks by diversifying their markets and their production and export sectors. Such

sectors could include sustainable agriculture, services, renewable energy and environmental goods. Facilitated movement of people would also be important. While developed countries' markets remained important, South-South cooperation and intraregional trade provided a viable avenue for recovery. Enhancing competitive productive capacities, together with greater value added and retention — with the support of the international community and Aid for Trade — were essential.

51. Many stressed that markets could not self-regulate, and that governments should play a central role in guiding investments and economic activities, regulating markets and facilitating trade in key sectors. The role of government needed to be redefined as enabling a developmental state, so that it could play a more proactive role, including through the use of policy space. Others emphasized that gradual liberalization and integration into world markets continued to be a part of comprehensive development strategies, and that regulation and market opening were not mutually exclusive.

52. Participants concurred that economic nationalism and protectionist sentiments were a matter of concern, as they affected developing countries in particular. While high-intensity protectionist measures had been contained, so-called "buy-invest-lend-hire locals" policies permeated various crisis-mitigation measures, and various non-tariff measures had been put in place. There was thus a need to contain such sentiments and roll back existing measures. Many expressed concern that developing countries were not able to take large-scale fiscal stimulus measures due to their lack of resources, which could place them in a less competitive position and distort future production location at their expense. Regular monitoring, transparency and peer pressure was considered essential, as conducted by WTO in partnership with UNCTAD and other institutions.

53. The importance of concluding the Doha round of trade negotiations with substantial development content by 2010 was stressed. The latest informal WTO ministerial meeting in India (3-4 September 2009) had created a renewed momentum, and the forthcoming G-20 summit in Pittsburgh would provide a unique opportunity to demonstrate leadership and responsibility. Most delegates, notably from developing countries, highlighted the need to scale up efforts to fully deliver Doha's development dimension, including special and differential treatment and policy space, in allowing developing countries to implement proactive policies to mitigate the crisis. Other speakers noted that the emerging Doha package had already incorporated a sufficient degree of flexibility for developing countries, particularly for least developed countries (LDCs) and for various categories of countries with special needs, such as in the form of exemption from reduction commitments, and lesser reduction commitments, in tariffs and agricultural subsidies. One participant highlighted the need to tackle competition policy and transparency in government procurement in WTO to contain protectionist measures. Coherence between multilateral, regional and subregional processes was considered important. Several participants underlined the need for North-South agreements to strengthen development cooperation to foster development and productive capacity.

54. Many participants emphasized the need to reform the global economic governance system, as the highly regulated trading system and unregulated financial markets had marked a stark contrast. Coherence in trade, development, financial and monetary policies was therefore essential, including by strengthening regulations in

the financial sector. Participants concurred regarding the value of the multilateral trading system in maintaining trade flows. There was a need to strengthen the system by realizing a universal, rules-based, open, non-discriminatory and equitable multilateral trading system. WTO accession was important for the universality of the system. Acceding countries considered that the stringent commitments requested of them were not commensurate with their level of development. In the long term, there was a need to rethink the operation of the trading system in terms of its scope and ways to reduce the risk of non-implementation and trade disputes, while some cautioned against reform of the trading system.

55. Participants commended the secretariat's background note as providing particularly relevant analysis. They reaffirmed that UNCTAD played an important role as catalyst for monitoring the evolution of the global economic crisis and building consensus on measures needed to address its trade and development implications. The universal character of the crisis had called for committed engagement of the "G-192" and the United Nations. Participants thus felt that UNCTAD should continue to analyse trade and development implications of the crisis, including regulatory and institutional frameworks, commodities, trade finance, South-South cooperation and investment measures. UNCTAD should also continue to help developing countries to engage in the international trading system, and build trade and productive capacities, including through Aid for Trade.

F. Development strategies in a globalized world: Meeting the development challenge of climate change[4]

56. Delegations noted that many countries which had contributed least to climate change were amongst the countries hardest hit by its effects. This was especially true for many of the least developed countries and small island developing States. It was emphasized that unabated climate change posed serious threats to the economic and social development of many countries. However, climate change mitigation was considered to be only one of several major challenges for developing countries, and it was felt that it must not come at the expense of economic growth and poverty reduction. In line with the *Trade and Development Report*, it was noted that the reduction of greenhouse gases through a more efficient use of conventional fuels was not only good economic policy, but also good environmental policy. The shift towards renewable energies in developing countries was also identified as an important way to mitigate climate change.

57. Delegations welcomed UNCTAD's balanced assessment of the microeconomic and macroeconomic costs of climate change mitigation, as well as UNCTAD's emphasis on climate change mitigation as a process of structural change, which had previously been neglected. It was recognized by many delegations that the process of structural change, which was associated with a shift from carbon-intensive to carbon-saving technologies, provided enormous economic opportunities not only for developed economies but also for developing and transition economies. However, delegations also noted that, for developing and transition economies to seize these economic opportunities, they would require more proactive industrial policies. In

[4] The discussion of this item was based on chapter V of the *Trade and Development Report 2009*, which discusses the compatibility of development and poverty reduction strategies with the imperative of climate change mitigation.

that context, delegations also recognized the need for appropriate trade and investment policies, as well as the potential benefits of FDI with respect to technology and knowledge transfers. In addition, however, delegations emphasized that successful climate change mitigation in developing countries depended on a sizable increase of financial and technological assistance by developed countries.

58. It was widely recognized that, for development and poverty reduction strategies to be sustainable, they would need to include climate change mitigation and adaptation efforts. Many delegations felt that there was a large but so far underutilized potential for climate change mitigation in developing countries. In those countries, the largest source of greenhouse gas emissions, and thus the largest potential for their reduction, was found in agriculture. The protection of forests and reforestation were also seen as major sources of potential reduction of greenhouse gases. Delegations therefore suggested that projects in those sectors be included in the Clean Development Mechanism. Furthermore, several delegations were concerned about the high administrative and financial costs of project approval in the Clean Development Mechanism and recommended that the mechanism allow for a bundling of small-scale projects and consider sector-wide efforts to reduce greenhouse gases.

59. Delegations recognized the need for a strong and inclusive international agreement on climate change mitigation, and stressed that all countries would need to continue to intensify their efforts to reduce greenhouse gas emissions. At the same time, all delegations noted that efforts to reduce greenhouse gases would need to take due account of the common but differentiated responsibilities and capabilities of countries. It was recognized that developed countries had the ethical responsibility, as well as the technological and financial capabilities, to lead climate change mitigation efforts. They were encouraged to set and work towards more ambitious targets for greenhouse gas emissions at home, and to provide developing countries with additional financial resources for climate change mitigation and adaptation. The current mechanisms to finance climate change mitigation in developing countries were described as inadequate and in need of reform. It was suggested that international policy on climate change mitigation should seek to prevent global warming in excess of 2° C, and provide considerably more transfers of financial resources to developing countries.

60. There was wide consensus that technology and knowledge transfers to developing countries were necessary to facilitate a shift towards renewable sources of energy, the introduction of greener methods of production, and the local development of green technologies and goods. However, delegations also discussed the controversial idea of exempting "green technologies" from the Agreement on Trade-Related Aspects of Intellectual Property Rights, similar to the case of life-saving medicines. Whereas many delegations argued that international agreements should provide developing countries with appropriate policy space to encourage access to, as well as the local development of, new technologies, others emphasized that access to numerous green technologies was currently not restricted by intellectual property rights and that a weakening of intellectual property rights could discourage the future development of green technologies, as well as access to these technologies.

61. While some delegations expressed their disagreement with some of the conclusions and recommendations of the *Trade and Development Report* with regard

to international climate change policies, many found that UNCTAD's analysis put forward in that report made a valuable and timely contribution to the global debate on climate change and development. Delegations encouraged UNCTAD to continue its examination of climate change issues from a development perspective, in line with its mandate as provided by the Accra Accord. Delegations requested UNCTAD to consider the issue of climate change in its work on productive capacities, trade, investment and technology, as well as, more broadly, its work on South-South cooperation and development strategies. Furthermore, several delegations requested that UNCTAD cooperate more closely with other international agencies, in particular the United Nations Framework Convention on Climate Change (UNFCCC), without duplicating ongoing work in UNFCCC and other bodies.

G. Investment for development: Transnational corporations, agricultural production and development

62. All delegations commended UNCTAD for the publication of the *World Investment Report 2009: Transnational Corporations, Agricultural Production and Development*, which was both timely and important, especially in view of the recent food crisis, concerns on food security and the international efforts to fight hunger under Millennium Development Goal 1. To that end, many delegations agreed that there was a need to increase investment in agricultural production in developing countries, but also expressed concerns on its potential social, economic and environmental impact, which needed to be carefully addressed.

63. While global FDI flows fell markedly in 2008, that fall was not shared equally across the globe — with developed countries witnessing strong declines and developing and transition economies reporting record levels. Further decline in global FDI flows in 2009 was in the offing, affecting all regions, including Africa. Delegations expressed concerns on the declining FDI flows and agreed that there was a need to identify measures to help countries attract FDI in the backdrop of the current global economic crisis. A number of suggestions were made. They included the following:

(a) Host countries should continue to improve their investment environment and reinvigorate their efforts at targeting investment in sectors that were less affected by business cycles such as in pharmaceuticals, agriculture and environmentally friendly activities;

(b) Investment promotion targeting sources from the South, which was less affected by the crisis, should be expanded;

(c) Host countries could also consider providing "after-care" service to retain current investment and promote reinvestment.

64. Some delegations expressed concerns on increasing investment protectionism, which could affect global FDI flows and the efforts of developing countries to attract them. In this regard, the need for continued monitoring of investment policies by UNCTAD was suggested.

65. While FDI into agricultural production remained small, it was increasing. However, FDI in the entire agricultural value chain was much higher. Aside from FDI, transnational corporations (TNCs) were also participating in agricultural production in developing and transition economies through contract farming. Such

farming arrangements by TNCs were widespread, accounting for a high share of output for some commodities in some developing countries.

66. Contract farming was seen as an important and significant alternative for TNCs to participate in agricultural production in developing and transition economies. It brought benefits to TNCs such as better control over quality than procuring agricultural commodities in spot markets, was less capital intensive, less risky and more flexible than FDI. For farmers, contract farming could provide benefits, which included access to technology, know-how, finance and markets.

67. It was generally agreed, based on evidence provided by some delegates and panellists, that FDI and TNCs could play a role in agricultural development in developing and transition economies. Some delegates also stressed the importance of ODA in supporting agriculture development, especially in infrastructure development and building productive capacities. TNC participation in agricultural production could generate both positive and negative effects. The former included transfer of technology, standards and skills, as well as jobs and market access, all of which could improve productivity, quality of produce and development of the industry. However, Governments must be conscious of environmental and social concerns associated with TNC involvement, such as the crowding out of small farmers, which might create job losses, land grab, dispossession of indigenous peoples and an over-dependence on TNCs. In that respect, a number of policy options were expressed by delegations. They included the following:

(a) Developing and transition economies could promote contract farming arrangements between TNCs and local farmers as an alternative option to FDI. Model contracts could be developed for contract farming, which could be used by farmers in developing and transition economies to negotiate with TNCs. UNCTAD currently had no involvement with model contracts, but it was thought to be an area it could explore in the future;

(b) In addressing food security of developing and transition economies, output sharing arrangements could be considered;

(c) There was a need for transparency and accountability in large-scale land acquisitions in agriculture and in respect of existing land rights, the right to food, protection of indigenous people, and social and environmental sustainability. To this end, a set of internationally agreed core principles taking into account the interest of various stakeholders could be considered;

(d) Increased public-private partnership to improve the productive capacities of the agriculture sector in developing and transition economies, including building long-term indigenous capacities in farming.

68. Some delegates expressed the need to safeguard intellectual property rights of investors as part of the efforts to promote FDI and TNCs' participation in agricultural production in developing and transition economies. It was noted that trade barriers and subsidies of developed countries, if reduced or abolished, would be a good incentive for FDI and TNC involvement in agricultural production in developing and transition economies. This would provide win-win opportunities to the benefit of foreign investors and host countries.

69. Delegations welcomed the initiative by the Government of Japan, with the involvement of UNCTAD and various international organizations, on "Promoting

Responsible International Investment in Agriculture", which aimed to set up an international framework to develop principles and good practices to promote responsible investment behaviour and sustainable farmland resource management. Delegations looked forward to the conclusion of the first meeting on the initiative, which was held in New York on 23 September 2009.

70. UNCTAD was requested to continue its research and analysis on issues relating to FDI and TNC participation in agricultural production in developing and transition economies, including on large land deals and policy development. UNCTAD was also requested to help increase agricultural productive capacities of developing and transition economies through technical cooperation and strengthening South-South cooperation, and continue to participate, with other relevant international organizations, in international forums on discussing principles and guidelines on foreign investment in agriculture.

H. UNCTAD's contribution to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields

71. Many delegations stressed the importance of this agenda item, and welcomed UNCTAD's report on progress made in the implementation of the outcomes of the major United Nations conferences and summits, and UNCTAD's contribution.

72. Delegations requested a broader examination of UNCTAD's work, including, in particular, the role of the intergovernmental machinery. They noted with appreciation the efforts of previous presidents of the Trade and Development Board in mobilizing the resources of UNCTAD — including the Trade and Development Board — to provide meaningful inputs to major United Nations processes on development.

73. Although the results of discussions concerning the global financial crisis, the food crisis and financing for development had been conveyed to the appropriate United Nations bodies, much remained to be done, in particular in the context of the follow-up to the United Nations Conference on the World Financial and Economic Crisis and its Impact on Development, the Fourth United Nations Conference on the Least Developed Countries, and the Millennium Development Goals Review Conference. Some participants spoke of the need to follow up on the G-20 meeting in Pittsburgh, the United Nations Climate Change Conference in Copenhagen, the restart of the Doha Round negotiations, and the G 8's Task Force on Financial Integrity and Economic Development.

74. Delegations asked for more information about the way in which UNCTAD planned to achieve the objectives set out in paragraphs 11 and 179 of the Accra Accord within its three pillars of work. They also emphasized that cooperation between UNCTAD and other United Nations agencies — within their respective mandates so as to enhance synergies and avoid duplication of work — was essential. UNCTAD should also engage with the private sector and civil society to a greater extent.

75. In addition, some delegations requested the strengthening of this agenda item at the 2010 session of the Trade and Development Board, by ensuring that future discussions on the item included UNCTAD's vision with regard to the direction of

other United Nations conferences and summits on development, in which UNCTAD could play an important role.

76. Some participants requested the secretariat to discuss ideas with member States on how the three pillars of UNCTAD could be applied to the implementation of and follow-up to the outcomes of the major United Nations conferences on development. It was suggested that discussions be continued on how this could be accomplished, including in the context of the President's monthly consultations.

I. Report on UNCTAD's assistance to the Palestinian people

77. In addition to 20 statements from delegates, including four groups, there were two keynote speakers: a Palestinian Authority Minister and a Deputy Special Coordinator from the Office of the United Nations Special Coordinator for the Middle East Peace Process (UNSCO). While all speakers commended UNCTAD's technical assistance to the Palestinian people, one speaker did not agree with the report's economic analysis. Almost all delegates praised the report and described it as excellent, welcome, logical, realistic, and informative.

78. The Palestinian Authority Minister noted the "great impact" of UNCTAD's work on Palestinian development and institution-building efforts for statehood, and requested the secretariat's assistance in obtaining observer and eventually membership status in WTO, as it was considered critical for establishing an enabling investment environment for private sector development. As a refugee "like the majority of Palestinians", he accepted the "hard compromise" Palestinians made for peace. But he said that Israel maintained its occupation, and kept the Palestinian economy "hostage" to politics and occupation measures, with Gaza continuing to be under a tight siege. Only 34 food items — less than 5 per cent of Gaza's needs — were being allowed in. The economy could not benefit from the substantial increase in aid in 2008, because the private sector remained hindered by Israeli occupation policies. The Palestinian Authority had implemented reform related to rule of law and governance. The Government's $800 million stimulus package and substantial international aid had enabled the West Bank to register 7 per cent growth in 2008. However, a genuine improvement in the economic situation required ending Israeli occupation, which he said remained the "cause of all evil".

79. The UNSCO representative called for negotiations to be resumed, asserting that the goal must be to end the occupation and implement the two-State solution on the basis of the 1967 borders. The Palestinian Prime Minster's recent announcement of a two-year plan for ending the occupation and establishing a Palestinian State represented important progress. Settlement expansion in the West Bank and East Jerusalem, described by the United Nations Secretary-General as illegal, was counterproductive and remained the main obstacle to credible negotiations. The separation barrier, movement restrictions, settlements, loss of Palestinian resources and Gaza siege were said to be the key issues that needed to be addressed. The Palestinians were facing a crisis of human dignity and were denied the rights of self-determination, employment and movement, and were thus rendered increasingly dependent on foreign aid.

80. Most delegates expressed concern about the economic situation in the Occupied Palestinian Territory, especially the attrition of a productive base, food insecurity, trade deficit, dependence on Israel, unemployment and extreme poverty.

The reasons for this, they said, were the Israeli occupation measures and closure policy, loss of natural resources, economic and territorial fragmentation, and lack of policy space. Serious concerns were raised about the expansion of settlements, house demolitions and evictions carried out by Israel. Delegates expressed grave concerns about the siege of, and inhuman conditions in, Gaza. Especially alarming were poverty, unemployment, environmental degradation, and the dearth and high cost of essential goods. They called for an immediate and unconditional end to the Israeli blockade to allow the flow of aid, goods and people.

81. Speakers called for sustainable improvement in Palestinians' movement and access and ability to trade with the rest of the world. Two delegates welcomed the recent easing of movement restrictions and the declared Israeli readiness to promote Palestinian economic development, but argued that it should be carried out within the two-State solution. A majority of delegates called for the establishment of a sovereign, independent, viable Palestinian State to achieve a just peace.

82. One delegate stated that the report was distorted, biased, politically motivated, lacked seriousness and professionalism, was one-sided, inaccurate, and did not reflect the reality on the ground. He said the report analysed the Palestinian economy as one piece, while it should have given a divided table for Gaza and the West Bank, where the economic conditions were better. He added that recent security cooperation between Israel and the Palestinian Authority had led to recent economic improvement in the West Bank. The offer of in-kind contributions to the Palestinian programme of UNCTAD had been rejected. In that context, he said that he supported the decision adopted two weeks earlier by the Working Party to audit the Palestinian programme in 2011. He indicated that his parents were Holocaust refugees and would never return to Europe or get hold of their properties.

83. A keynote speaker rejected the insertion of the Holocaust into this debate. The Palestinians were not responsible for this horrible event and they should not continue to pay its price, he said. He added that the bleak reality on the ground was due to occupation.

84. Delegates commended the secretariat's programme of technical assistance in the Occupied Palestinian Territory, noting the substantial achievements under the Automated System for Customs Data (ASYCUDA) project, investment retention, the establishment of the Palestinian Shippers' Council and the project on the promotion of regionally integrative pro-poor trade policies. Those achievements responded to critical needs while building the required capacities for the envisioned State of Palestine.

85. Most speakers welcomed the recommendations to intensify efforts to integrate Palestine in WTO, as that would contribute to the establishment of public and private institutions en route to a sovereign State. One delegate welcomed the secretariat's emergency response package for the rehabilitation of Gaza, while another concurred with the secretariat's emphasis on linking relief to development.

86. Delegates called upon UNCTAD to intensify its programme of technical assistance to the Palestinian people. Some speakers called on UNCTAD to rethink the existing development paradigms and their applicability to Palestine as a case of development under occupation, and for studying how to enhance the efficacy of aid, which had prevented economic collapse. Another delegate indicated the need for

policy briefs on the Palestinian economy to keep member States abreast of developments in the Occupied Palestinian Territory.

87. Most delegates expressed concern over the secretariat's financial constraints in this area of work, which undermined its ability to fulfil its Accra Accord mandate as spelled out in paragraph 44. They urged donors to intensify their contributions, noting that the shortages had led to delays in the secretariat's activities under EMPRTEC-Palestine and the Investment Retention Programme.

J. Hearing with civil society

88. Participants indicated that the recent financial crisis and the climate change phenomenon underlined global interdependence, whether among governments, societies and peoples. That interdependence had broken down firewalls among countries and among sectors so that, even while root causes could be localized to a specific sector or country, their adverse effects had rippled across countries and their societies. The global crisis called for global action, not just at the policymaking level but from all segments of society. It was therefore important to engage civil society and the private sector, as called for in the Accra Accord and put into action at the Public Symposium held in Geneva on 18 and 19 May 2009. The present hearing represented another instrument through which the views and experiences of civil society and the private sector could contribute to the global debate and to the shaping of the collective response.

89. Thus far, the response to the crisis had not only been generally insufficient, but could in fact exacerbate the polarization of income and power between the developed and developing countries. There was certainly a need for a global response that was fair and equitable to all. Because the present series of crises was brought about by the actions of industrialized countries, it was felt that those countries should take the lead in their resolution. Developing countries for their part were urged to exercise their prerogative for policy space. Notwithstanding their need for financial and technical assistance, policymakers should maintain their focus on national development priorities and safeguard against potentially conflicting agendas that these might bring. They should also proactively adopt measures that would cushion them from international shocks.

90. It was pointed out at the hearing that, while there was a consensus on the origin and causes of the crisis and that solutions were being proposed at different levels, there was still the urgent need for action. The hearing repeatedly stressed the need for a common-but-differentiated, multi-polar post-crisis response that was humane, fair and equitable to all.

1. Follow-up to the UNCTAD Public Symposium and to the United Nations Conference on the World Financial and Economic Crisis

91. There was general concern that current debate and solutions not only did not reflect the concerns and needs of developing countries, but could actually be detrimental to their efforts to survive the crisis. Examples of those were the proposed allocation of special drawing rights (SDR) at the International Monetary Fund (IMF), the commodity derivatives to developing countries in the proposal on European financial reform, as well as the loss of remittances from overseas workers. On the other hand, there were significant movements towards a more inclusive and

holistic approach to the crisis. Participants at the hearing hailed the G-192 Consensus for its inclusiveness and its substance, which went beyond the analysis of the *problématique* into crisis resolution and follow-up. The representatives of civil society reiterated their commitment and intent to engage actively in working with the G-192 Working Group and its panel of experts.

92. Delegates felt that the current crisis should be taken as an opportunity to overhaul the international financial system into one that was transparent and ethical. There had already been several initiatives on the international front to attenuate the impact of the crisis on national economies and on societies. Among those were UNCTAD's call for a temporary moratorium on sovereign debt to forestall another debt crisis among developing countries, the IMF decision to reduce interest rates on concessional loans to zero, and the International Labour Organization's (ILO's) adoption of its Global Jobs Pact, which called for "decent work response to the crisis." Further actions were needed to control exchange rate and monetary instability, penalize financial speculation and foster inclusive and sustainable growth. On the other hand, concerns were expressed over other developments in that area, such as the decision of the G-20 to allocate its entire package (of over $1 trillion) to the international financial institutions, notably the IMF. That action could be taken as a lack of political will or interest on the part of these leader nations to push for a global development-centred agenda among the international finance institutions. Another G-20 proposal that raised alarm was the allocation of funds on the basis of IMF quota shares rather than need.

93. The human dimension of the crisis was evoked in the context of increasing unemployment and its impact on the informal sector, in which many women in developing countries were engaged for revenue-raising activities. It was pointed out that, since the activities of the informal sector were not quantified, it would most likely be overlooked in the crisis impact assessment. Still, the contribution of this sector could not be overstated, not only to the national economy at large but also to the family unit. The participants urged policymakers in developing countries to include the informal sector in its impact assessment. Developing countries were also urged to review their FDI policies, especially in the context of banking services, in order to better insulate the domestic financial institutions from external shocks.

94. UNCTAD's work in the areas of diversification of economic and export base, increasing domestic demand and higher value added capacities, among others, were important support for developing countries to get out of the crisis. The complementary mandates of the United Nations and the Bretton Woods institutions were highlighted in the G-192 Consensus as critical to resolving the present crisis and building an international financial system that would be transparent and equitable. Further stressing coherence and coordination, speakers highlighted the need for joint efforts of the international community to share best practices and experiences, and to promote trust and solidarity at all levels. That could be undertaken within the context of UNCTAD's work programme, in cooperation with other United Nations agencies, international and regional bodies, and civil society. Another area of cooperation that some participants recommended was between ILO and UNCTAD, in the context of the former's Global Jobs Pact and the latter's work on trade and development.

95. The representatives of civil society and the private sector called for the rapid implementation of the G-192 Consensus in a coherent and well-coordinated matter.

They also appealed for a review of the international finance institutions' decisions to ensure that those were fair and equitable, recalling an earlier proposal for IMF to allocate SDRs to low-income countries at no cost.

2. Immediate challenges related to debt and climate change

96. It was felt that the current crisis was more than likely going to impact the debt of developing countries, particularly the least developed countries. The loss of export-linked revenue would hamper the budget of those countries and their only solution would be to launch a new cycle of indebtedness. The solution proposed by the international community would not prevent developing countries from enduring negative growth due to the fact that no innovative solutions had been proposed. It was pointed out that one of the solutions would be a moratorium on LDCs' and developing countries' debt, regardless of their achievements. Several participants repeated the call for a debt moratorium for developing countries and expressed support to UNCTAD's proposal to set up a debt moratorium as a basic mechanism for a good sound budgetary policy. Another solution would be that all loans promised in response to the crisis would be transformed into grants. Finally, the $250 billion SDRs should not be granted based on the quotas but on the real needs of the countries; furthermore, there should not be any cost related to the use of these SDRs. The need for policy space was also pointed out as a result of all the conditionalities inherent with IMF loans.

97. Like the financial crisis, the origin of climate change had been traced to developed economies. The immediate and most adverse expression of that phenomenon had been in developing countries. It was pointed out that subsistence, family-owned agriculture had been the hardest hit and that it was women who bore the brunt in the face of increasing water scarcity and deteriorating farming conditions. In Africa, for example, many families were faced with loss of remittances from abroad, shrinking revenue from the informal sector and deteriorating farm conditions. Developed countries needed to take the lead in tackling climate-related challenges because they had the highest level of greenhouse gas emissions and because they had the resources and the technologies to neutralize and even reverse it. Intellectual property rights regimes should be fine-tuned to encourage both research and the use of green technologies, including their transfer and diffusion to developing countries. The payment of the climate debt, in the broader framework of ecological debt, must be in addition to and not in lieu of, existing official development assistance allocation.

98. It was felt that developing countries, for their part, should exercise their prerogative for policy space. Developing countries must adapt measures to better use their natural resources and proactively promote green technologies, both by importing from abroad and by domestic research. This had been underlined in the Global Jobs Pact, for example, which pointed to the need to include green jobs and green technologies in the recovery packages and policies. This could mitigate the risk of further deterioration of export revenue arising from importing countries' increasingly restrictive demands for ecologically neutral production processes. In addition to global action, the hearing appealed for a more rapid transfer of green technologies to developing countries. Participants also urged developing countries to continue their active participation and engagement in the ongoing debate in order to ensure that their concerns are adequately addressed.

99. Since its impact had been multi-dimensional, it called for a holistic response and, as the United Nations Framework Convention on Climate Change (UNFCCC) said, there were "common but differentiated responsibilities and respective capabilities". Initiatives taken to combat climate change should be linked to the UNFCCC process in order to ensure coherence and consolidation of gains. A promising agreement — fair and binding — could be had at the UNFCCC Conference of the Parties (COP 15) in December at Copenhagen, wherein industrialized countries would honour the Kyoto Protocol on climate finance, technology transfer and emission reduction targets.

K. UNCTAD's communication strategy and publications policy

100. Delegations expressed appreciation for UNCTAD's efforts to implement paragraphs 186 to 188 of the Accra Accord, and for the resulting draft UNCTAD communication strategy.

101. They said that the entire institution should work together to make sure that the communication strategy was mainstreamed into the organization's work. Devoting efforts and resources not only to the production but also to the dissemination and impact of research products would help to make UNCTAD the first port of call for information and advice on trade and development issues.

102. The UNCTAD website was described as a top tool for establishing and maintaining clear communications with member States, other organizations, and the public. In that context, participants stressed the need to prioritize measures to implement the communication strategy, for example, by revamping the organization's homepage.

103. The proposal to establish a member States' portal providing useful information for delegations was described as an effective innovation, and it was suggested that the portal be made as practical as possible. A proposal to include a map on the website that would show where the organization's technical cooperation projects were under way was also supported by delegations.

104. Participants expressed support for the "One United Nations" initiative, and the idea of enhancing the synergies between the publications and the work of UNCTAD's other two pillars, to make UNCTAD work as one body and to develop an effective communications culture within the organization.

105. Some delegations highlighted the need to mainstream the focus on LDCs in UNCTAD's publications. They also requested UNCTAD to continue to improve its clearance process and peer review.

106. Many delegations requested the secretariat to elaborate further on the details regarding how to achieve the various goals in the communication strategy and the publications policy. They also asked for regular updates on the implementation of the communication strategy and publications policy through the mechanisms of the President's monthly consultations and the Working Party meetings.

107. Participants emphasized the importance of outreach campaigns for the launching of publications, not only in Geneva but also in the field, through activities such as workshops and seminars.

L. Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its forty-second session

108. The meeting was chaired by Mr. Konrad Scharinger (Germany), Vice-President of the Board. Ms. Emina Keco-Isakovic (Bosnia and Herzegovina), Chair of the forty-second session of the Joint Advisory Group on the International Trade Centre (ITC), presented the report.

109. The representatives of the following member States took the floor: Belarus, Canada, Guatemala, Peru, Brazil, Jamaica, the United States of America, the Russian Federation, Zimbabwe, Zambia and the Islamic Republic of Iran.

110. Ms. Keco-Isakovic and Mrs. Patricia Francis, Executive Director of ITC, responded to questions and comments.

111. Responding to questions on the cooperation between UNCTAD and ITC, the UNCTAD secretariat noted that the relationship between the two organizations had moved to greater levels of coordination and several examples were cited. Representatives commended the work of ITC and its Executive Director and reference was made to several useful initiatives taken by ITC in relation to its work in developing countries, its re-branding and communications, and the refocusing of its business lines.

112. The Board took note of the forty-second report of the Joint Advisory Group, contained in document ITC/AG(XLII)/225.

III. Procedural and related matters

A. Opening of the session

113. The fifty-sixth session of the Trade and Development Board was opened on 14 September 2009 by Mr. Dian Triansyah Djani (Indonesia), President of the Board at its fifty-fifth session.

B. Election of officers
(agenda item 1)

114. At its 1030th (opening) plenary meeting, the Board elected Mr. Jean Feyder (Luxembourg) President of the Board at its fifty-sixth session.

115. Also at its opening plenary meeting, the Board completed the election of officers to serve on the Bureau of the Board at its fifty-sixth session by electing 10 vice-presidents and the Rapporteur. Accordingly, the elected Bureau was as follows:

President:	Mr. Jean Feyder (Luxembourg)
Vice-Presidents:	Mr. Elchin Amirbayov (Azerbaijan)
	Mr. Konrad Scharinger (Germany)
	Mr. Hamid Baeidi Nejad (Islamic Republic of Iran)
	Ms. Misako Takahashi (Japan)
	Mr. Mothae Anthony Maruping (Lesotho)
	Mr. Elmer Schialer (Peru)

	Mr. Vassily Nebenzia (Russian Federation)
	Ms. Tharatut Hanlumyuang (Thailand)
	Mr. Dennis Francis (Trinidad and Tobago)
	Mr. Otto Hans van Maerssen (United States of America)
Rapporteur:	Ms. Tshihumbudzo Ravhandalala (South Africa)

116. Following established practice, the Board agreed that the regional coordinators and China, as well as the chairs of the sessional committees, would be fully associated with the work of the Bureau of the Board.

C. Adoption of the agenda and organization of the work of the session
(agenda item 2)

117. At its opening plenary meeting, the Board adopted the provisional agenda for the session contained in TD/B/56/1 (see annex I).

118. The following officers were elected to serve on the Bureau of Sessional Committee I to consider agenda item 4, "Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010":

Chair:	Mr. Konrad Scharinger (Germany)
Vice-Chair-cum-Rapporteur:	Mr. Motaher Hussain (Bangladesh)

119. The following officers were elected to serve on the Bureau of Sessional Committee II to consider agenda item 5, "Economic development in Africa: Strengthening regional economic integration for Africa's Development":

Chair:	Mr. Arcanjo Maria do Nascimento (Angola)
Vice-Chair-cum-Rapporteur:	Mr. Wang Dawei (China)

D. Appointment of the members of the Advisory Body for 2010
(agenda item 14 (a))

120. At its 1039th plenary meeting, the Board appointed the members of the Advisory Body for 2010 as follows: Mr. Jean Feyder (President of the Board, Luxembourg); Mr. Dinesh Bhattarai (Nepal); Mr. Yahya S. Al-Wahaibi (Oman); Mr. Zamir Akram, (Pakistan); Mr. Mario Matus (Chile); Mr. Mauricio Montalvo (Ecuador); Ms. Judith Arrieta (Mexico); Mr. Anthony Nyame-Baafi (Ghana); Mr. Omar Hilale (Morocco); Mr. Maurice Peter K. Kiwanuka (Uganda); Mr. Georgi Avramchev (The former Yugoslav Republic of Macedonia); Mr. Elchin Amirbayov (Azerbaijan); and representatives of France and Turkey (two more representatives of Group B to be announced).

E. Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board
(agenda item 14 (b))

121. Also at its 1039th plenary meeting, the Board decided to approve the applications of the Organization of Eastern Caribbean States and the Eurasian Development Bank so that they might participate in the activities of UNCTAD.

F. Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board
(agenda item 14 (c))

122. Also at its 1039th plenary meeting, the Board decided that the Grain and Feed Trade Association should be included in the special category of non-governmental organizations. Information on that organization is contained in document TD/B/56/R.3. The Board also decided that IQsensato should be included in the general category. The background information on this organization is contained in document TD/B/56/R.4.

G. Review of the calendar of meetings
(agenda item 14 (d))

123. Also at its 1039th plenary meeting, the Board approved the calendar of meetings for the remainder of 2009 and indicative calendars for 2010 and the first half of 2011 as contained in document TD/B/56/CRP.3.

H. Membership of the Working Party for 2010
(agenda item 14 (e))

124. Also at its 1039th plenary meeting, the Board approved the membership of the Working Party for 2010 as follows: Indonesia, the Islamic Republic of Iran, Thailand, China, Brazil, El Salvador, Peru, Algeria, Benin, Côte d'Ivoire, Albania, Belarus, the Russian Federation, Japan and Switzerland, and four countries from Group B to be announced.

I. Review of the lists of States contained in the annex to General Assembly resolution 1995 (XIX)
(agenda item 14 (f))

125. The membership is reflected in document TD/B/INF.211. There were no new applications.

J. Administrative and financial implications of the actions of the Board
(agenda item 14 (g))

126. At its 1039th plenary meeting, the Board was informed that there were no programme budget implications arising from the work of its fifty-sixth session.

K. Adoption of the report on credentials
(agenda item 15)

127. Also at its 1039th plenary meeting, the Board adopted the report of the Bureau on the credentials of representatives attending the fifty-sixth session of the Board (TD/B/56/L.2), thereby accepting the credentials.

L. Provisional agenda for the fifty-seventh session of the Board
(agenda item 16)

128. Also at its 1039th plenary meeting, the Board decided to refer consideration of this item to consultations of the President of the Board. The provisional agenda will therefore be submitted for approval at an executive session at an appropriate time.

M. Adoption of the report
(agenda item 18)

129. At its closing plenary meeting, held on 12 October 2009, the Board adopted the draft report on its fifty-sixth session, as contained in TD/B/56/L.1 and Add.1-6, TD/B/56/SC.I/L.1, TD/B/56/SC.I/L.2, TD/B/56/SC.II/L.1 and TD/B/56/SC.II/L.2.

Annex I

Agenda for the fifty-sixth session of the Trade and Development Board

1. Election of officers
2. Adoption of the agenda and organization of the work of the session
3. High-level segment: The global economic crisis and the necessary policy response
4. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010:
   (a) The Least Developed Countries Report 2009: The State and Development Governance
   (b) UNCTAD-wide activities in implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010: eighth progress report
   (c) UNCTAD's contribution to the preparatory process of and to the Fourth United Nations Conference on the Least Developed Countries, 2011
5. Economic development in Africa: Strengthening regional economic integration for Africa's development
6. Evolution of the international trading system and of international trade from a development perspective: Impact of the crisis
7. Development strategies in a globalized world: Meeting the development challenge of climate change
8. Investment for development: Transnational corporations, agricultural production and development
9. UNCTAD's contribution to the implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields
10. Technical cooperation activities:
    (a) Review of the technical cooperation activities of UNCTAD
    (b) Report on UNCTAD assistance to the Palestinian people
11. Matters requiring action by the Board in the follow-up to the twelfth session of the Conference:
    (a) Hearing with civil society
    (b) UNCTAD's communication strategy and publications policy
12. Other matters in the field of trade and development:
    (a) Progressive development of the law of international trade: Forty-second annual report of the United Nations Commission on International Trade Law

(b) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its forty-second session

13. Reports of the Working Party on the Strategic Framework and the Programme Budget

14. Institutional, organizational, administrative and related matters:

(a) Report by the President of the Advisory Body set up in accordance with paragraph 166 of the Bangkok Plan of Action on the implementation of courses by the secretariat in 2008-2009 and their relevant impact; and the appointment of members of the Advisory Body for 2010

(b) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

(c) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

(d) Review of the calendar of meetings

(e) Membership of the Working Party for 2010

(f) Review of the lists of States contained in the annex to General Assembly resolution 1995 (XIX)

(g) Administrative and financial implications of the actions of the Board

15. Adoption of the report on credentials

16. Provisional agenda for the fifty-seventh session of the Board

17. Other business

18. Adoption of the report

Annex II

Attendance[a]

1. Representatives of the following States members of the Trade and Development Board attended the session:

Afghanistan
Albania
Algeria
Angola
Argentina
Austria
Azerbaijan
Bangladesh
Belarus
Belgium
Benin
Botswana
Brazil
Bulgaria
Burkina Faso
Burundi
Cambodia
Cameroon
Canada
Chad
Chile
China
Colombia
Côte d'Ivoire
Croatia
Cuba
Cyprus
Czech Republic
Democratic People's Republic of Korea
Democratic Republic of the Congo
Djibouti
Dominican Republic
Ecuador
Egypt
El Salvador
Equatorial Guinea
Estonia
Ethiopia
Finland
France
Germany
Ghana
Greece
Guatemala
Guinea
Haiti
India
Indonesia
Iran (Islamic Republic of)
Israel
Italy
Jamaica
Japan
Jordan
Kazakhstan
Kenya
Kuwait
Kyrgyzstan
Lebanon
Lesotho
Luxembourg
Malaysia
Mali
Mexico
Mongolia
Morocco
Mozambique
Myanmar
Namibia
Nepal
Nicaragua
Nigeria
Norway
Oman
Paraguay
Peru
Philippines
Poland
Portugal
Qatar
Romania
Russian Federation

[a] For the list of participants, see TD/B/56/Inf.1.

Rwanda
Saudi Arabia
Senegal
Serbia
Singapore
Slovakia
South Africa
Spain
Sri Lanka
Sweden
Switzerland
Syrian Arab Republic
Thailand
The former Yugoslav Republic of Macedonia
Trinidad and Tobago
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Venezuela (Bolivarian Republic of)
Viet Nam
Yemen
Zambia
Zimbabwe

2. Representatives of the following States members of UNCTAD but not members of the Trade and Development Board attended the session:

Bosnia and Herzegovina
Holy See
Maldives
Uzbekistan

3. The following observer attended the session:

Palestine

4. The following intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States
African Union
Common Market for Eastern and Southern Africa
European Community
Organisation internationale de la Francophonie
South Centre

5. The following United Nations organizations were represented at the session:

Economic and Social Commission for Asia and the Pacific
Economic Commission for Africa
Economic Commission for Europe
International Trade Centre
United Nations Special Coordinator for the Middle East Peace Process

6. The following specialized agencies and related organizations were represented at the session:

Food and Agriculture Organization of the United Nations
International Labour Organization
International Telecommunication Union
United Nations Educational, Scientific and Cultural Organization (UNESCO)
United Nations Industrial Development Organization (UNIDO)
World Trade Organization (WTO)

7. The following non-governmental organizations were represented at the session:

General category

Fundación Global Democracia y Desarrollo (Funglode)
Ingénieurs du monde
International Alliance of Women
International Centre for Trade and Sustainable Development
International Federation of Agricultural Producers
International Trade Union Confederation
Organisation Camerounaise de Promotion de la Coopération Economique Internationale (OCAPROCE International)
Third World Network — Latin America (Third World Institute and Social Watch)
Village Suisse ONG
World Vision International

Register

Consumer Unity and Trust Society (CUTS)

8. The following panellists participated in the session:

Mr. Frank **Ackerman**, Senior Economist, Stockholm Environment Institute — United States Centre and Senior Research Fellow, Global Development and Environment Institute, Tufts University, United States
Mr. Offong **Ambah**, Director-General, Ecobank Nigeria
Mr. Aggrey H. **Bagiire**, Minister of State for Agriculture, Uganda
Sr. Diego **Borja Cornejo**, Ministro para la Coordinación y la Política Económica de Ecuador
Mr. Adama **Deen**, Transportation Advisor, NEPAD
Mr. Josue **Dioné**, Director, Food Security and Sustainable Development Division, Economic Commission for Africa (in videoconference from Addis Ababa)
Mr. Maxwell **Gaylard**, Deputy Special Coordinator for the Middle East Peace Process (UNSCO) and the United Nations Resident Humanitarian Coordinator
Mr. John **Gyetuah**, Deputy Minister, Ministry of Trade and Industry, Accra, Ghana
Mr. Bassim **Khoury**, Minister of National Economy, Palestine
Mr. Pascal **Lamy**, Director-General of WTO
Mr. Terry **McKinley**, Professor, School of Oriental and African Studies, University of London, United Kingdom
Ms. Machiko K. **Nissanke**, School of Oriental and African Studies, University of London, United Kingdom
Mr. Augusto Luiz **Nobre de Mello Neto**, Director, Climate Change, Sustainability and Energy, ICF International, Brazil
Mr. Pedro **Páez Pérez**, Chairman of the Presidential Technical Commission for the New Regional Financial Architecture and the Bank of the South, and former Minister of Economic Policy Coordination, Ecuador
M. Cyrille **Pierre**, Directeur adjoint, Division des affaires d'économie globale, Ministère des affaires étrangères de France
Mr. Davor **Pisk**, Chief Operation Officer, Syngenta, United States

Mr. Jeffrey **Sachs**, Director, Earth Institute, Quetelet Professor of Sustainable Development and Professor of Health Policy and Management at Columbia University, United States; Special Advisor to United Nations Secretary-General Ban Ki-moon

Mr. Peter **Thompson**, Director for Development and EPAs, European Commission

Mr. Francis **Yamba**, Professor, Director, Centre for Energy, Environment and Engineering Zambia Ltd., Lusaka

Mr. Kandeh **Yumkella**, Director-General, United Nations Industrial Development Organization